GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1058
ANSWERED ON:23.11.2001
BAILOUT PACKAGE FOR IFCI
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government have released Rs.400 crores as Bailout package for IFCI; and

(b) if so, the details of the package and the target being fixed?

Answer

MINISTER OF STATE FOR FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) : Government of India (GoI) has released Rs 400 crore to IFCI Ltd., on 30th October, 2001 for investment by Government ir IFCI`s 20 year Convertible Debentures. IFCI has re-invested it simultaneously in GoI Securities.The above capital infusion has been made to improve the Capital Adequacy Ratio (CAR) of IFCI.While releasing the funds IFCI has been asked inter-alia to take steps to expedite cases pending with BIFR and Courts particularly with large NPAs, to undertake a study on the NPA in IFCI portfolio with a view to solve the problem through a sector-wise approach and to explore the possibility of roll over and refinancing of foreign currency and domestic lenders.